



August 28, 2020

Joanne Rawlings Sekunda
Marti Hooper
Maine Bureau of Insurance

Dear Joanne and Marti,

I am writing in response to your request for comments on the Bureau's development of Clear Choice (CC) products.

Several of the Plans are offering individual comments however, these comments from MeAHP address overriding concerns shared by all our members: 1) timing, 2) market disruption, and 3) skepticism about the value of moving to standardized plans. We also raise several questions and requests for clarification.

Timing

The Plans are concerned that an unrealistic timeline is being put forward that does not give sufficient time to operationalize the new product offerings. The development and pricing of new product designs involves substantial administrative complexity. All will need time to develop new products and materials, systems and computer changes, marketing and education plans, and whatever else is needed to ensure a smooth rollout. For all this to be accomplished in a timely manner, either CC designs need to be finalized by the end of October, or the whole process needs to be slowed down.

The challenges and disruptions due to COVID have been significant and will likely be ongoing and possibly even worse during the second wave anticipated this coming fall and winter. Responding to the coronavirus and ensuring that people get the care they need is rightly a top priority. With that in mind, resources are spread thin and we urge the Bureau to take a careful look at timing expectations to minimize unintended consequences. Our Plans want to bring strong products to market with the least possible disruption and foresee that some timing changes may be necessary to do so.

Market disruption and confusion

Whether the markets will be merged or not will have a tremendous impact on the work that Plans have to do under CC. Without the merger, plans will be developing separate products for individual and small group customers. If the markets are merged, far fewer products will be needed to serve the combined markets. In effect, Maine will go from

having 100's of plan options to a handful. This is not to suggest a preference for one path or another (we'll be offering separate comments on that at the appropriate time), but rather to emphasize the importance of knowing whether or not the merger is proceeding before designing and pricing CC products. Given the timelines for each, the Bureau may want to consider how they will work in relation to one another and if the current timing envisioned makes sense. For example, back to back disruptions may be more painful for longer than implementing both simultaneously.

Additional complexity and administration will be especially important for employers (and brokers) who will need to educate themselves, their employees and dependents about the new plan options. All will need time to understand the new products and materials, and develop marketing, education and enrollment strategies.

Skepticism about the value of CC plans

Expectations among consumers and policy makers that CC products will solve underlying market challenges need to be carefully managed. Current consumer concerns center around the pandemic as well as issues such as surprise billing and whether labs are covered as preventive services -- these concerns are not going to be solved or even addressed by CC plans. Limiting Plans' ability to use cost sharing to control premium cost may actually lead to higher premiums and/or reduced benefits. Moreover, forcing carriers to limit co-payments further shelters providers, allowing them to charge higher amounts without impacting consumer cost shares.

Outstanding questions and requests for clarification

- Please clarify that Plans do not have to offer plans at all metal levels – i.e. no platinum currently offered
- Please confirm that CC will standardize co-pays/cost-sharing, not services offered.
- How will the Bureau be educating and communicating to purchasers about changes to the marketplace?
- How will the Bureau handle AV calculations? Some states are running their own default calculation to mitigate risks of standardized plans producing different AV results across plans.
- Standardized plans are not typically required off Exchange and plans are not limited off Exchange. Will Maine adopt this approach?
- Has the Bureau considered minimizing its intervention by selecting only a subset of EHBs to regulate/standardize cost sharing on? This approach would permit some flexibility for the Plans that currently offer a lot of variety and choice to meet the needs of purchasers.

- Has the Bureau considered offering a range of co-pays instead of one specific number i.e. \$20-\$35 for PCP or standardization of co-pay corridors across CC products i.e. \$20-\$50-\$100?
- Has the Bureau considered permitting Plans to meet CC requirements by choosing among variables including deductibles and OOP Max. and/or cost shares?
- How will the Bureau ensure that Plans can continue to incentivize high value services and sites?
- Has the Bureau considered developing a wide range of CC products which could permit a broader range of health plan offerings? If only one CC product is determined for each metal level, Plans will be capped at 3 additional plans as approved by the Superintendent.

Thank you for the opportunity to offer these comments.

Sincerely,

A handwritten signature in cursive script, reading "Katherine D. Pelletreau".

Katherine D. Pelletreau
Cc: MeAHP Board of Directors